

**REGULATIONS IN TERMS OF THE SOUTH AFRICAN SCHOOLS ACT
NO. 84 OF 1996**

[GENERAL NOTICE NO 148 OF 1999]
[DATE OF COMMENCEMENT: 16 JULY, 1999]

ESTABLISHMENT AND CONTROL OF SCHOOL FUNDS AT PUBLIC SCHOOLS

SCHEDULE

1. Definitions.—In these guidelines any word or expression to which a meaning has been assigned in the South African Schools Act (Act No. 84 of 1996), referred to as the ACT has the meaning so assigned to it unless the context indicates otherwise—

“**Governing body**” means a governing body contemplated in section 16 (2) of the Act.

“**A school fund**” means all the monies received by a public school including school fees and voluntary contributions.

“**Public School**” means a school contemplated in Chapter 3, section 12 of the Act.

“**Finance Officer**” means the person appointed in terms of Guideline 2 (4) hereunder.

“**Finance auditing**” as done by an accountant in terms of the Close Corporations, 1984 (Act No. 69 of 1984) or a person duly appointed by the MEC in terms of the South African Schools Act, 1996 section 43 (2) (b) of the Act.

“**Budget or Expenditure Estimates**” as referred to in the South African Schools Act, 1996.

2. Establishment of School Funds.—(1) A governing body of a school must establish and administer a school fund in accordance with directions issued by the Head of Department in terms of section 37 (1) of the Act.

(2) Any school fund established and maintained by a school committee, School fund committee, trust committee, governing body or management council before the date of coming into operation of these guidelines must be deemed to be a school fund established in terms of these guidelines. However, if the banking account is not a current account, the account must be closed and a current account opened in terms of guideline 5.1.

(3) A finance committee as a sub-committee of the governing body must be established and at least the Principal, Chairperson and Treasurer of the governing body must be members of such a sub-committee.

(4) The principal, in consultation with the governing body, must appoint a member of the administrative staff to keep the school fund books. If there is no administrative staff employed at a school, the principal, in consultation with the governing body may appoint a member of the teaching staff to keep the school fund books.

(5) The person referred to above will be known as the Finance Officer. The Finance Officer should not be the same person as the Treasurer of the governing body.

(6) The governing body, assisted by the principal and staff members designated by him or her must—

- (i) Keep records of funds received and spent and of its assets, liabilities and financial transactions.
- (ii) The name of the auditor or accounting officer or person approved by the MEC in terms of section 43 (2) (b) of the Act, appointed to examine and report on the records and financial statements of the school.

(Editorial Note: Wording as per original *Gazette*.)

- (iii) Ensure that the school fund is administered in accordance with these guidelines and any other directions, guidelines or procedure as may be issued by the Head of Department, the MEC or the Minister.

3. Contributions to the School Fund.—(1) A school fund consists of monies collected or received by the Governing body by means of—

- (i) School fees;
- (ii) Voluntary contributions;
- (iii) All fund raising activities of the school and governing body;
- (iv) Income derived from all assets of the school;

- (v) Contributions by learners/parents for special purposes; but always in compliance with the provisions of the Fund Raising Act, 1978 (Act No. 107 of 1978); and
- (vi) Donations and bequests, provided that they are applied in accordance with the conditions of such donations or bequests.

4. School Fees.—The governing body shall take all reasonable measures within its means to supplement the resources supplied by the state to improve the quality of education in terms of section 36 of the Act.

1. *Determining School Fees*

- (i) The chairperson of the governing body must, subject to sub-guideline 3 shall call a meeting of parents during the fourth quarter of each school year.
- (ii) At least thirty days written notice of the meeting must be given in a manner deemed appropriate by the governing body.
- (iii) The following items must be placed before the meeting for approval—
 - (a) The proposed budget of the school for the ensuring year;
 - (b) The amount of school fees payable by parents of learners; and
 - (c) Equitable criteria and procedure in compliance with guidelines made in terms of section 39 (4) of the South African School Act, 1996 (Act No. 84 of 1996) of the total, partial or conditional exemption of parents who are unable to pay school fees.
- (iv) The proceedings at the meeting must be recorded in minutes and the number of votes abstaining on each motion must be recorded. An attendance register signed by each parent who attended the meeting must be kept with the minutes of the meeting.
- (v) Decisions by the governing body, for the approval of the budget, school fees to be charged and exemptions from payment of school fees must be made in accordance with decisions taken by the majority of parents present and voting at the meeting called in terms of sub-guideline 4.1 (i).

2. *Payment of fees*

- (i) School Fund may be collected as approved by the majority of parents attending and voting at the meeting referred to in guideline 4.1
- (ii) A parent may appeal to the Head of Department against a decision of the governing body regarding the non-exemption of such parent from payment of school fees in terms of section 40 (2).
- (vii) An appeal in terms of sub-guideline 4.2 (ii) must be in writing and must be made within 30 days of the parent concerned being informed of the amount of school fees payable by him or her.
- (viii) The governing body may by process of law enforce the payment of fees by parents who are liable to pay in terms of section 41.

(Editorial Note: numbering as per original *Gazette*.)

5. Financial Administration—(1) Budget.

- (i) The financial year of the school shall be from 1 January to 31 December of every calendar year.
- (ii) The governing body of a Public School must prepare a budget each year according to guidelines determined by the Minister, which shows the estimate income and expenditure of the school for the following financial year in terms of section 38 of the Act.
- (iii) Before a budget referred to in sub-guideline (2) is enforced by the governing body, it must be presented to the general meeting of parents convened on at least 30 days notice, for consideration and approval by a majority of parents present and voting.
- (iv) The governing body must submit the following to the Head of Department:
 - (a) By 31 January of each year, a copy of the approved estimate of income and expenditure of the school;
 - (b) The name of the auditor or accounting officer or person approved by the MEC in terms of section 43 (2) (b) of the South African School Act, 1996 (Act No. 84 of 1996), appointed to examine and report on the records and financial statements of the school.

(2) Collection of School Fund.

- (i) The Finance officer must—

- (a) Immediately issue a receipt for all monies received;
- (b) Any receipt book given must be used up before a new one is issued;
- (c) Make out receipts in their serial number order, without alterations to the name or amount in words or figure;
- (d) Use carbon paper to impress a copy of all receipts issued;
- (e) Retain carbon copies in the receipt book of issued receipts;
- (f) Cancel any receipt form on which a mistake is made and write initials; keep same in the receipt book and issue a new receipt;
- (g) Enter particulars of receipts issued in the cash book daily;
- (h) Record the serial number of all receipt books in a reserve stock register or Distribution Register;
 - (i) Obtain a signature in a reserve stock register/distribution register from every person to whom a receipt is issued.
 - (ii) Where educators are required to collect school fees from learners, the educator must for that purpose keep a school fund register as part of the class register and the principal must ensure that each class educator is issued with a receipt book for the collection of money. The principal must provide educators with a written delegation to handle monies as contemplated in this guideline.
 - (iii) The class educator must issue receipts for all monies received and when such monies are paid over to the Finance officer, the Finance officer must in turn issue a receipt for such monies. The principal must take appropriate measures to ensure that this is done in accordance with these guidelines and departmental directions.

(3) Banking of School Fund.

- (i) The governing body must open and maintain a current banking account in the name of the school at a registered commercial bank into which all School funds must be deposited.
- (iv) The governing body may deposit funds, which are not immediately required, in the name of the school, in a savings or fixed deposit account with a registered financial institution or a post office savings bank.
- (v) Provision must be made for cheques to be signed by two persons. All banking accounts opened by the governing body shall be subjected to auditing or examination by the financial person appointed by the MEC in term of the South African schools Act.
- (vi) The principal must ensure the depositing of all funds received for the school fund account on the date of receipt of such monies. The Head of Department may authorise the late depositing of school funds in accordance with departmental directions.

(Editorial Note: numbering as per original *Gazette*.)

(4) Withdrawal of Funds from School Banking Account.

- (i) A school banking account must not be overdrawn.
- (ii) The governing body in accordance with departmental directions determines the signatories of any banking account opened in terms of these guidelines.
- (iii) Under no circumstances should blank cheques be issued.
- (iv) Under no circumstances shall "cash" cheques be drawn.
- (v) Under no circumstances should private cheques be cashed from school moneys even if such cheques were issued from the school fund account.
- (vi) Under no circumstances shall the school fund be used to award loans to any person.
- (vii) The governing body may authorise the principal to keep petty cash in an amount determined by the governing body and in accordance with these guidelines and departmental directions.
- (viii) Expenditure may only in exceptional circumstances be made from the School fund without prior estimates approved in terms of sub-guidelines 4.1 (i) and 4.1 (iii). Expenditure which is not in accordance with the said prior estimates must be approved by the governing body and brought to the attention of parents for their approval at a general meeting.

(5) The governing body and the principal must ensure that proper financial records are kept in accordance with these guidelines and departmental directive.

(6) The governing body is obliged to—

- (i) check at each meeting all expenditure incurred since its previous meeting;

(ii) inspect supporting vouchers to ensure that they are in line with guidelines and departmental directions; and

(iii) satisfy it that expenditure is in accordance with the approved budget.

(7) Requisition for payment from School Fund—

The Finance officer shall—

(i) Make payments only on submission of proper documentation as set out in these guidelines and departmental directions reflecting—

(a) the name of the person to whom payment is to be made;

(b) the amount to be paid;

(c) the nature of the goods supplied or services rendered.

(ii) Ensure the safe keeping of vouchers for audit purposes;

(iii) Ensure that all payments and supporting vouchers are presented and ratified at the next governing body meeting.

(8) Recording of financial transactions in Cashbooks/Journals—

The governing body and the principal must ensure that—

(i) receipts are issued for all monies received by the school;

(ii) all income and expenditure is recorded and accounted for;

(iii) all records pertaining to the financial matters of the school and the decisions of the governing body pertaining thereto are kept in safe custody;

(iv) these guidelines and departmental directions pertaining to the finances of the school are being adhered to;

(v) a copy of the audited statement of income and expenditure is handed to the Head of Department on or before 30 June of each year;

(vi) persons appointed to assist the governing body in the fulfilment of its duties must observe these guidelines and departmental directions.

(9) An officer, governing body member or any other officer authorized thereto by the Minister, HOD, and MEC may at any time inspect the financial records and other related documents.

(10) The Head of Department may give written authority for deviations from these guidelines so as to accommodate schools implementing a computerized accounting system or to accommodate special circumstances of a school upon a written application from the school.

6. Auditing of School Financial Records.—(1) The books of account must be closed at the end of each financial year.

(2) The governing body of a public school must appoint a person registered as an accountant and auditor in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991), to audit the records and financial statements in terms of Section 43 of the Act.

(3) If the audit referred to in sub-guidelines 7 (2) is not reasonably practicable, the governing body of a public school must appoint a person to examine and report on the records and the financial statements, who—

(i) is qualified to perform the duties of accounting officer in terms of section 60 of the Close Corporations Act 1984 (Act No. 69 of 1984); or

(ii) is approved by the MEC or Head of Department for this purpose.

(4) The person appointed in terms of guidelines 7 (2) or 7 (3) must certify—

(i) the accuracy or otherwise of the school's financial records;

(ii) whether or not records were kept in accordance with applicable Provincial Guidelines and Departmental directions; and

(iii) whether or not expenditure was made in accordance with the approved budget, Provincial Guidelines and the Departmental Directions.

(iv) she/he is registered or duly authorized by the MEC to examine the books.

(5) On or before the 30th June of each year the principal must forward the following to the Head of Department:—

- (i) an audited and certified income and expenditure statement;
- (ii) a certificate referred to in sub-guideline 7 (4) above; and
- (iii) a stock inventory certificate referred to in Guideline 9.

7. Purposes for which School Funds may be used.—(1) With due regard to the terms and/or conditions of any donation, bequest or trust, school funds may be used for—

- (i) educational purposes, at or in connection with such school;
- (ii) educational purposes, at or in connection with another public school in agreement with such other public school and with the consent of the Head of Department;
- (iii) the performance of the functions of the governing body;
- (iv) another educational purpose agreed between the governing body and the Head of Department;
- (v) improving the school and sport grounds, subject to obtaining of prior approval from the Head of Department unless the governing body is empowered to maintain the school's property in terms of section 21 (1) (a) of the Act;
- (vi) expenditure which precedes fund raising functions;
- (vii) insurance premiums in respect of school assets only;
- (viii) expenses towards repairs to a maintenance of school Property;
- (ix) security of the school with the approval of the Head of Department.

8. Stock Item Registers.—(1) The governing body, with the assistance of the principal and staff members designated by him or her for this purpose, must cause a separate register to be kept of all inventory items—

- (i) purchased from school funds;
- (ii) donated to the school or purchased from funds donated to the school; and
- (iii) provided by Department of Education.

(2) The governing body with the assistance of the principal and staff members designated by him or her must ensure that all stock items purchased from the school funds, provided by the Department or donated to the school are properly maintained and looked after.

(3) The governing body, with the assistance of the principal and staff members appointed by him or her must ensure that:—

- (i) the stock register clearly indicates the source from which items are acquired; and
- (ii) a stock-take is conducted annually during the last quarter of each year.

9. Investigations by Head of Department.—(1) The Head of Department may at any time call for a special report or such other particulars, as he or she may consider necessary in connection with the administration of the school funds.

(2) The Head of Department may also appoint an officer to investigate and report to him or her on the administration of a school fund.

10. Administration of School Funds and Equipment on the Closure of a School.—(1) When a school is closed, the governing body or failing that, the principal of such a school must—

- (i) ensure the preparation of a financial audited income and expenditure statement; and
- (ii) cause the preparation of a final stock register in terms of guidelines 9 (1).

(2) Upon the closure of the school, the principal must—

- (i) submit the final audited income and expenditure statement referred to in guideline 11 (1) (a) above together with the final asset register referred to in guideline 11 (1) (b) above to the Head of Department.
- (ii) hand over all assets issued to the school by the Department, purchased from school funds or donated to the school, subject to the conditions of any donation, bequest or trust to the Head of Department.

(3) A governing body of a school which is to be closed may recommend to the Head of Department the transfer of stock items purchased from school funds or acquired by donation to a particular school or schools, subject to the conditions of any donation, bequest or trust.

(4) The Head of Department may make school funds and stock items referred to in the preceding sub-guideline after considering recommendations as aforesaid, available for any other educational purpose he or she may consider desirable.

11. Obligations of the Principal.—(1) The principal must maintain a complete set of the statutory provisions, guidelines and departmental directions relating to the finances and financial management of the public school.

(2) The principal must ensure that he or she and staff members under his or her control, appointed to assist the governing body in the execution of its duties, are acquainted with all statutory provisions, guidelines and department directions of which he or she must have knowledge to enable him or her to assist the governing body in the execution of its duties.

(3) The principal must ensure that all-statutory provisions, guidelines and departmental directions are observed by him or her and by employees under his or her control.

12. Irregularities.—The governing body, the principal or any other person must report all suspected irregularities with regard to the management of school funds without delay to the Head of Department and the South African Police Services when appropriate.

13. Delegation of Powers.—The Head of Department shall have/may delegate powers bestowed on him or her in terms of these guidelines to an offices in the employment of the department.

14. Commencement date.—These guidelines will commence on the date of this notice.
